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## BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN K. MAYES  
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION } DOCKET NO. T-03394A-03-0801  
OF MCI WORLDCOM }  
COMMUNICATIONS, INC. } DECISION NO. 66599  
TO CHANGE ROUNDING FOR LONG }  
DISTANCE CALLS FOR CERTAIN PLANS } ORDER  
FOR BUSINESS CUSTOMERS }

Open Meeting  
December 2 and 3, 2003  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. MCI WorldCom Communications, Inc. ("MCI") is certified to provide intrastate telecommunications service as a public service corporation in the State of Arizona.
2. On October 31, 2003, MCI filed tariff revisions to its Arizona Tariff No. 2. The tariff revisions are listed below:

Arizona Tariff No. 2

Check Sheet, Page 1, Release 233  
Check Sheet, Page 1.1.1, Release 167  
Section C, Page 34.18, Release 4  
Section C, Page 34.43, Release 4  
Section C, Page 34.45, Release 3  
Section C, Page 34.46, Release 2  
Section C, Page 34.48, Release 5  
Section C, Page 34.48.3, Release 6  
Section C, Page 34.48.4, Release 6  
Section C, Page 34.48.5, Release 6  
Section C, Page 34.48.9, Release 2  
Section C, Page 34.48.10, Release 2

3. MCI filed tariff revisions to its Arizona Tariff No. 2 to change the methodology in rounding up or down minutes of use for long distance calls for certain plans for business

1 customers. The plans that are included are: MCI Preferred, MCI Flat Rate, MCI Flat Rate Plus,  
2 Advanced Option I for Small Business, and Advanced Option II for Small Business. Under the  
3 current rounding method, long distance calls under these plans are calculated on a 30-second  
4 minimum duration basis with additional 6-second increments. This filing seeks to change the  
5 rounding method so that long distance calls are calculated on a 60-second minimum duration basis  
6 with additional 60-second increments. Since business customers will be paying more under these  
7 changes, Staff considers this filing a rate increase.

8 4. MCI stated that it is filing these tariff revisions to align its rounding methods for  
9 several offerings nationwide. Staff has reviewed MCI's proposals for these services in 49 other  
10 states. Staff has concluded that the proposed method of rounding up or down is the same in 49  
11 other states. Additionally, Staff has determined that there are several providers in Arizona who  
12 use similar rounding methods.

13 5. Since this filing increases the maximum rates for a component of a service that has  
14 been classified as competitive under the Commission's Competitive Telecommunications Services  
15 Rules, Arizona Administrative Code Rule R14-2-1110 applies to MCI's proposal. MCI provided  
16 the information required by R14-2-1110 to allow Staff to determine the potential effects of  
17 approval of the filing. The information provided indicates that the expected revenue effect of  
18 approval of this filing is an increase of less than 1 percent in MCI's Arizona revenues.

19 6. Staff has reviewed MCI's customer notification and believes that it is consistent  
20 with Commission rules.

21 7. MCI provides long distance service to thousands of business customers throughout  
22 the State of Arizona.

23 8. The rates contained in this filing are for services that have been classified as  
24 competitive by the Commission and that are now subject to the Commission's Competitive  
25 Telecommunications Services Rules. Under those rules, rates for competitive services are not set  
26 according to rate of return regulation standards.

27 9. Staff requested information from MCI regarding its fair value rate base. The fair  
28 value rate base of MCI is \$120,222,947. However, the rate to be ultimately charged by MCI will

1 be heavily influenced by the market. Because of the nature of the competitive market and other  
2 factors, a fair value analysis is not necessarily representative of the company's operations.  
3 Therefore, while Staff considered the fair value rate base information submitted by MCI, it did not  
4 accord that information substantial weight in its analysis of this matter.

5 10. Staff recommends approval of this filing.

6 CONCLUSIONS OF LAW

7 1. MCI is an Arizona public service corporation within the meaning of Article XV,  
8 Section 2, of the Arizona Constitution.

9 2. The Commission has jurisdiction over MCI and over the subject matter of the  
10 Application.

11 3. The Commission, having reviewed the tariff pages (copies of which are contained in  
12 the Commission's tariff files) and Staff's Memorandum dated November 13, 2003, concludes the  
13 tariff is reasonable, fair and equitable, and is therefore in the public interest.

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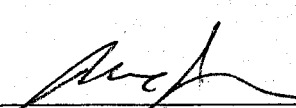

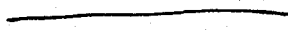

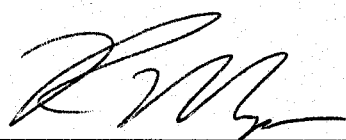
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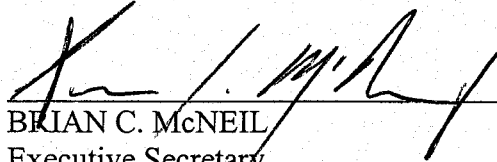
IT IS THEREFORE ORDERED that the tariff pages listed in Finding of Fact No. 2 are approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

		
CHAIRMAN	COMMISSIONER	COMMISSIONER
		
COMMISSIONER	COMMISSIONER	

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 9<sup>th</sup> day of December, 2003.

  
BRIAN C. McNEIL  
Executive Secretary

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:MGK:rdp/LAV

1 SERVICE LIST FOR: MCI WORLDCOM COMMUNICATIONS, INC.  
2 DOCKET NO. T-03394A-03-0801

3 Ms. Randee Klindworth  
4 WorldCom  
5 Western Public Policy  
6 707 17<sup>th</sup> Street, Suite 3600  
7 Denver, Colorado 80202

8 Mr. Ernest G. Johnson  
9 Director, Utilities Division  
10 Arizona Corporation Commission  
11 1200 West Washington  
12 Phoenix, Arizona 85007

13 Mr. Christopher C. Kempley  
14 Chief Counsel  
15 Arizona Corporation Commission  
16 1200 West Washington  
17 Phoenix, Arizona 85007  
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20  
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22  
23  
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